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UNCLAS SECTION 01 OF 02 LILONGWE 000402

SIPDIS

AIDAC

DEPT FOR S/GAC, AF/S, AF/EPS, OES/IHA USAID FOR GH/AA (APETERSON) HHS/PHS/OFFICE OF GLOBAL HEALTH AFFAIRS (WSTEIGER) HHS ALSO FOR NIH (MDYBUL AND JLEVIN), HRSA (DPARHAM) GENEVA FOR DHOHMAN AND MCGREBE

E.O. 12958: N/A
TAGS: KHIV EAID SOCI TBIO ECON PGOV MI HIV AIDS
SUBJECT: SUCCESS OF AN ARV PROGRAM: IT'S NOT JUST ABOUT

Ref: A) STATE 202651 B) LILONGWE 497 C) LILONGWE 933

11. Summary: Malawi has been making remarkable progress in the roll-out of its Global Fund for AIDS, TB and Malaria (GFATM) funded Anti-Retroviral (ARV) Program. It appears that treatment goals will be met and testing goals exceeded. Some government officials are now asking why Malawi cannot reach even further, asking the U.S. government for assistance particularly to increase the amount of ARVs in the country. However, the ARV program faces many challenges and will struggle to stay on pace because of constraints unrelated to drugs, namely weak infrastructure, human resource constraints, and open questions regarding supervision. End summary.

Progress to-date on Malawi's HIV/AIDS ARV Program

12. Per reftel C, Malawi's early progress in its GFATM funded ARV program has exceeded all expectations. Over 750 clinical staff have been trained with 34 facilities providing ARVs to 17,500 individuals as of March 2005 - a 50 percent increase since late 2004. A monitoring and supervision system has been created which includes a public reporting, on a quarterly basis, of progress and clinical outcomes. The Clinton Foundation has recently signed an agreement with the Government of Malawi and the National AIDS Commission which will reduce the costs of drugs procured under GFATM by 22 percent. Early reports are that 300,000 people accessed testing and counseling in 12004. At its current pace Malawi is very likely to achieve its 2005 goal of treating 44,000 and its 5-year goal of treating 80,000.

The ARV pipeline: An impediment to continued scale-up?

- 13. Drug procurement was an early and persistent impediment to the rapid implementation of Malawi's HIV/AIDS ARV program. The Government of Malawi felt that drug procurement should be undertaken by the Government's Central Medical Stores. A World Bank assessment identified significant doubts as to CMS's financial and procurement integrity. As a compromise, it was agreed that UNICEF would provide drug procurement services as well as capacity building to CMS.
- 14. Unfortunately, drug procurement under UNICEF brought its own challenges. Early problems included delays in funds transfers, unclear communication from NAC and the MOH, as well as WHO's de-certification of a key manufacturer. Further delays directly attributable to UNICEF include a generally cumbersome procurement system, no full-time dedicated staff on the ground, and a reactive rather than proactive approach to procurement. It now takes approximately 6 months from the time that funds are requested to be transferred to UNICEF for drugs to arrive in country.

Request from Government

15. Malawi Minister of Health Ntaba recently requested a meeting with Charge Gilmour to discuss these matters. During the meeting the Minister expressed deep concerns regarding UNICEF's performance to date and their ability to meet growing procurement demands as the number of patients on ARVs increases. The Minister questioned why only 80,000 will benefit from ARVs when the WHO estimates that 170,000 are currently eligible for treatment. He noted that while 59 health facilities are ready to provide treatment there are only enough drugs for 34 of these sites. The Minister highlighted the growing demand for ARVs created by dramatic increases in the number of Malawians getting tested. (Note: the South Region Central Hospital, Queen Elizabeth, currently has a 5 month waiting list for those wishing to access ARVs). He therefore

requested that the Mission advocate to Washington for the release of PEPFAR funds for procurement of ARVs through Malawi's Central Medical Stores.

## Comment

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- 16. The problems identified in the World Bank's initial assessment of CMS persist, with no concrete action having taken place to date to ameliorate them. Despite the Minister's assurances that any such problems could be quickly resolved, experience to date shows otherwise. In addition, Mission consultations indicate that the quantity of ARVs is of less importance, in the long run, to reaching beyond the 80,000 target than issues of overall capacity. Severely constrained human resources, limited infrastructure, and fragile monitoring and supervision systems are significant constraints to expansion in the public sector. An example is a recently reported conversation with staff at Queen Elizabeth Central Hospital in which they unequivocally stated that, even if they had more ARVs, they simply did not have the human capacity to manage a greater influx of patients. A recent back of the envelope estimation by the MOH indicated that 25 percent of the current health sector workforce will need to be 100 percent dedicated to AIDS treatment if the goal of 80,000 on treatment is to be reached. Furthermore, critical questions of how to maintain current levels of supervision and monitoring have yet to be answered.
- 17. However, positive action can be taken. It is widely recognized that UNICEF has performed below expectations vis-a-vis procurement and, to date, has provided none of the promised capacity building to CMS. Intervention by UNICEF head office to reduce delivery time, to increase proactive communication and attention to the Malawi situation, and to deliver on the promise of capacity building of CMS would be of great benefit. Immediate improvements in current performance will keep the existing program on track, building on success, as issues of overall capacity are debated and addressed.

Note: USAID was recently selected, with the support of CDC, to represent bilateral donors on Malawi's Country Coordinating Mechanism— the country's oversight body for GFATM activities. This will facilitate greater involvement on the part of the USG as well as real-time monitoring of relevant policy decisions.

GILMOUR